



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: ORD 24-015, **Version:** 1

Adopt an ordinance amending Section 16 of Boronda County Sanitation District Ordinance No. 5137 to provide for the collection of sewer charges through the County of Monterey Property Tax Roll.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Boronda County Sanitation District (BCSD), adopt an ordinance amending Section 16 of Boronda County Sanitation District Ordinance No. 5137 to allow for the collection of sewer charges on the County of Monterey Property Tax Roll.

SUMMARY/DISCUSSION:

On May 7, 2024, the Board of Supervisors acting as the Board of the Directors of the BCSD introduced and waived reading of the Ordinance and set a hearing for adoption of the Ordinance for May 21, 2024, at 10:30 a.m.

The BCSD currently contracts with Monterey One Water (M1W) to provide sewer billing and collection service for BCSD customers. On November 16, 2023, M1W notified the County of Monterey Department of Public Works, Facilities and Parks (PWFP) that beginning with Fiscal Year 2024-25, M1W would cease providing this service to the BCSD. Therefore, PWFP staff recommends that the Board adopt an ordinance to amend Section 16 of BCSD Ordinance No. 5137 to allow for the collection of sewer service charges through the Property Tax Roll of the County of Monterey pursuant to California Health and Safety Code Section 5470 *et seq.* in order to collect service charges to cover the costs of providing wastewater collection services to BCSD customers.

The BCSD provides services to the community of Boronda. PWFP currently manages the BCSD and does not currently have the capability to provide in-house billing services. It has been determined that the least costly and most efficient method of collecting the sewer service charges is by placing these property related fees and charges on the Property Tax Roll beginning with the FY 2024-25 tax year. The County/BCSD has been utilizing this method to collect on delinquent BCSD accounts since on or about 2010.

If BCSD does not enroll into this service, the BCSD will need to bill customers directly. To undertake this responsibility in-house would require an additional Accounting Technician position at a cost of \$124,500 annually, one-time software costs estimated between \$10,000-\$20,000 and ongoing software maintenance costs. These costs could be shared between the three sanitation districts (Pajaro, Boronda and Chualar). Alternatively, PWFP could outsource the monthly billing, at a cost of \$4,500-\$7,700 annually, plus an initial implementation fee. Such a service will take time to procure and contract and will cost more than the proposed ordinance allowing charges to be included on the Property Tax Roll.

FINANCING:

If the ordinance is adopted, the cost associated with this change will be minimal. The Auditor-Controller's office charges $\frac{1}{4}$ of 1 percent of revenue collected on the County Property Tax Roll. The estimated 2024-25 revenue from the BCSD sanitation billing is \$175,800, resulting in an estimated charge by the Auditor-Controller of \$440. There would also be nominal staff time to prepare the necessary annual Board of Directors report to all the BCSD to collection annual sewer charged through the Property Tax Roll. This is the least expensive option for BCSD.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendations presented above support the Board of Supervisors Strategic Initiatives for efficient and effective government operations.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments:

Attachment A - Ordinance

Attachment B - Location Map